

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Parlin Post Office
Parlin, Colorado 81239

Docket No. A2012-102

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(February 22, 2012)

On December 22, 2011, the Postal Regulatory Commission (Commission) received an appeal from Ruth E. and Laurence E. Dolezal, objecting to the discontinuance of the Post Office at Parlin, Colorado¹: On December 29, 2011 the Commission received another appeal from Sara S. Swartz, which was followed on January 5, 2012 by an appeal from Clair St. John. On January 5, the Commission issued Order No. 1103, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On the same date, the Commission received an appeal from Leon K. Ottmann. In accordance with Order No. 1103, the administrative record was filed with the Commission on January 6, 2012. The Commission received three more appeals from: James B. Katheiser (January 20, 2012), Judith Ebaugh. (January 20, 2012), and the Board of County Commissioners of Gunnison County, Colorado (January 21, 2012).²

¹ The Parlin Post Office is part of the Retail Access Optimization Initiative (RAOI); consequently, this discontinuance was conducted pursuant to Handbook PO-101, dated July 2011.

² Although the latter appeal was designated as a Notice of Intervention, the Postal Service will

Petitioners raise three principal issues, as well as minor matters, concerning the discontinuance: (1) the impact on the provision of postal services, (2) the impact upon the Parlin community, and (3) the calculation of economic savings expected to result from discontinuing the Parlin Post Office. The intervenor adopted many of the Patitioners' argument and raised procedural issues as well. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Consistent with the Postal Service's statutory obligations and Commission precedent,³ the Postal Service considered a number of other issues, including the impact upon postal employees. Accordingly, the Final Determination to discontinue the Parlin Post Office should be affirmed.

Background

The Final Determination To Close the Parlin, CO Post Office and Extend Service by Highway Contract Route Service ("Final Determination" or "FD"),⁴ as well as the administrative record, indicate that the Parlin Post Office provides EAS-11 level service to twenty P.O. Box or general delivery customers, forty Highway Contract Route ("HCR") customers, and retail and walk-in customers

treat the intervenor as just another petitioner. Some Petitioners also filed Participant Statements: Mr. Katheiser filed a Participant Statement on January 24, 2012; the Dolezals filed a Participant Statement on January 25, 2012; Mr. Ottmann filed a Participant Statement on January 31, 2012; Ms. St. John filed a participant Statement on February 2, 2012; Ms. Ebaugh filed her Participant Statement on February 10, 2012.

³ See 39 U.S.C. §404(d) (2)(A).

⁴ The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to "FD at _____," rather than to the item number. The FD page number refers to the pages as marked on the upper left of the FD. Other items in the administrative record are referred to as "Item No. ____."

from 7:00 a.m. to 3:00 p.m. Monday through Friday and from 8:00 a.m. to 12:00 p.m. on Saturday.⁵ Retail services include the sale of stamps, stamped paper, and money orders; special services such as Registered Mail, Certified Mail, Insured Mail, COD Mail, and Express Mail services; and the acceptance and dispatch of all classes of mail. There are no permit mailers or postage meter customers.⁶ The postmaster position became vacant when the postmaster was promoted on April 24, 2010. Since the postmaster vacancy, a non career postmaster relief (“PMR”), or officer-in-charge (“OIC”), was installed to operate the office. Postmaster level and office service hours are determined by a workload analysis which includes the number of deliveries and revenue.⁷ When the study was conducted and the Final Determination was reached, the noncareer PMR was still serving as the OIC. If the Final Determination to discontinue the Parlin Post Office is affirmed, the noncareer PMR may be separated from the Postal Service; no other Postal Service employee will be adversely affected.⁸ The average number of daily retail window transactions at the Parlin Post Office is six, accounting for eight minutes of retail work daily.⁹

⁵ FD at 2, Item No. 18, PS Form 4920; Item No. 33, Proposal, at 2.

⁶ FD at 2; Item No. 33, Proposal, at 2.

⁷ FD at 2; Item No. 33, Proposal, at 2.

⁸ FD at 7; Item No. 33, Proposal, at 8.

⁹ FD at 2; Item No. 33, Proposal, at 2. One Petitioner raised a concern about the timing of the collection of the transaction information, characterizing it as ridiculous. In accordance with applicable procedural requirements, the Window Transaction Survey (Item No. 10), Survey of Incoming Mail (Item No. 11) and Survey of Dispatched Mail (Item No. 12) were conducted from March 12, 2011 through March 25, 2011. The survey is just a snapshot at a point in time. Sometimes, it reflects normal activity and sometimes not. In any event, the levels of activity are not the sole factor in informing the determination; it is merely one of many facts considered.

Revenue at the Parlin Post Office is low and has fluctuated: \$10,953 in FY 2008; \$12,824 in FY 2009; and \$11.393 in FY 2010.¹⁰

Upon implementation of the Final Determination, delivery and retail services will be provided by a Highway Contract Route ("HCR") carrier out of the Gunnison Post Office, which also provides and retail services. The Gunnison Post Office,¹¹ is an EAS-20 level office located 11.7 miles away.¹² Window service hours at the Gunnison Post Office are from 7:30 a.m. to 4:15 p.m. Monday through Friday and 9:00 a.m. to 12:00 p.m. on Saturday. There are 510 P.O. Boxes available at Gunnison.¹³

The Postal Service followed proper procedures that led to the posting of the Final Determination.¹⁴ Issues raised by the customers of the Parlin Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements.¹⁵ In addition to the posting of the Proposal and Final Determination at both the Parlin and Gunnison Post Offices, customers received notice through other means. Questionnaires were distributed to all P.O. Box and HCR delivery customers of the Parlin Post Office. Questionnaires were also available to retail and walk-in customers over the

¹⁰ FD at 2; Item No. 18, PS Form 4920; Item No. 33, Proposal, at 2.

¹¹The Gunnison Post Office is not listed as a candidate for discontinuance as part of the Retail Access Optimization Initiative (PRC Docket No. N2011-1).

¹² FD at 2; Item No. 33, Proposal, at 2.

¹³ FD at 2; Item No.18, PS Form 4920; Item No, 33, Proposal, at 2.

¹⁴ The intervenor raises procedural and process concerns which are discussed *infra*.

¹⁵ The Proposal was posted at both the Parlin Post Office and the Gunnison Post Office between May 9, 2011 and July 11, 2011 (Item No. 36, Round Date Stamped Proposals and Invitations for Comments from Affected Offices). The Final Determination was posted at both post offices on December 9, 2011 (Item No. 49, Round Date Stamped Final Determination, at 1 and 2).

counter at the Parlin Post Office.¹⁶ Questionnaires were accompanied by a letter from the Manager of Postal Operations, Walt McBain, which advised customers that the Postal Service was considering a possible change in the way postal service are provided to customers of the Parlin Post Office; the proposed change was tentative and would not lead to a formal proposal unless the Postal Service concluded that it would provide a maximum degree of regular and effective service.¹⁷ The Postal Service was considering whether to close the Parlin Post Office and provide delivery and retail services by HCR service under the administrative responsibility of the Gunnison Post Office. The letter invited customers to complete and return the customer questionnaire.¹⁸ The Postal Service distributed questionnaires to sixty customers. The Postal Service received twenty-five questionnaires; some customers returned only the first page and/or did not sign the completed questionnaires, some attached letters from businesses to the questionnaire. The Postal Service characterized 24 as unfavorable and seventeen as expressing no opinion.¹⁹ The Postal Service

¹⁶ FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC; Item No. 33, Proposal, at 2. Notice by these methods complies with all regulations in 39 C.F.R. Pt. 241.3 and procedures specified in Handbook PO-101.

¹⁷ Item No. 21, Cover Letter, Questionnaire and Enclosure, at 1; Item No. 33, Proposal, at 2.

¹⁸ Item No. 21, Cover Letter, Questionnaire and Enclosure, at 1; Item No. 33, Proposal, at 2.

¹⁹ FD at 2; Item No. 21, Returned Customer Questionnaires; Item No. 22, Postal Service Response Letters; Item No. 23, Customer Questionnaire Analysis; Item No. 33, Proposal, at 2. Petitioners believe more questionnaires were returned. However, all returned questionnaires are included in Item No. 21. Petitioners could be confused because Item 23 lists 41 concerns, separated into postal (21) and non postal (20) concerns. Each concern was not listed on a separate questionnaire. Customers listed more than one concern in a single questionnaire. Petitioners also challenge the characterization of the questionnaire response, i.e., favorable, unfavorable, etc. The Postal Service notes that the questionnaires are intended to assess usage patterns and customer needs. Moreover, the characterization of opposition, support or neutrality

considered all the customer questionnaires. The Postal Service responded in writing to 28 customers who signed or put an address on the questionnaire. All customer comments and concerns were reflected in the Proposal, and in the Final Determination.²⁰

Representatives from the Postal Service were available during a community meeting on April 13, 2011 to answer questions and provide information to customers; 39 customers attended.²¹ During the meeting Postal Service representatives responded to questions and concerns from the attending customers.²² On April 22, 2011 the Postal Service also received a petition, containing 41 signatures, supporting retention of the Parlin Post Office. The

is not, in and of itself, dispositive. What is dispositive is whether effective and regular service can be provided in the event of a discontinuance; in this case the conclusion was affirmative.

²⁰ FD at 2-7; Item No. 22, Postal Service Response Letters, at 1-28; Item No. 23, Postal Service Customer Questionnaire Analysis, at 1-4; Item No. 33, Proposal, at 2-7.

²¹ Item No. 11. Petitioner Ottmann asserted, without citing supporting evidence that the majority of residents reside outside of the Parlin area during winter and would not be aware of the meeting or the Postal Service Proposal. The Postal Service internal regulations give local discontinuance coordinators flexibility in determining meeting times that encourage customer participation. See Handbook PO-101 §251. No single time is ever consistent with all customer preferences; hours within an office's normal hours of operation generally suit customers who routinely visit that office, while inconveniencing customers who only occasionally visit the office, thereby conflicting with their work hours in many cases. Evening hours may suit the occasional customers, while inconveniencing regular customers. In this instance, some customers may have chosen to absent themselves for a considerable period of time. That is one reason why a discontinuance study process affords customers multiple avenues for providing their input: questionnaires, community meeting, written correspondence at any time. If those opportunities do not suffice, then formal comments on a proposal posted for 60 days provide an alternative means for submission of customer input. Petitioners Ottmann and Ebaugh assert that at least 55 customers attended the meeting but cite no supporting evidence. The Postal Service provided meeting rosters which customer could sign; the record discloses 39 entries made on three sheets (Item No. 24, at 1-3). However, it is plausible that some customers chose not to sign the roster.

²² FD at 2; Item No. 25, Community Meeting. Analysis; Item No. 33, Proposal, at 2.

Postal Service considered and addressed the concerns expressed in the petition in the Proposal and in the Final determination.²³

Customers received formal notice of the Proposal, which was posted with an invitation for public comment at the Parlin and Gunnison Post Offices for 60 days from May 9, 2011 to July 11, 2011.²⁴ Since no comments were submitted after the Proposal was posted, and no change was made to the initial proposal, there was no need to modify the proposal to address comments.²⁵ The Final Determination was posted at the Parlin Post Office and at the Gunnison Post Office on December 7, 2011, as confirmed by the round date stamped Final Determination.²⁶

In light of the postmaster vacancy, declining workload, the variety of delivery and retail options (including the convenience of rural delivery by highway contract route service), the expected financial savings, and limited effect on Postal Service employees,²⁷ the Postal Service issued the Final Determination.²⁸ Regular and effective postal services will continue to be provided to the Parlin community in a cost-effective manner upon implementation of the Final

²³ FD, at 2-7; Item No. 33, Proposal, at 2-7.

²⁴ FD at 2; Item No. 36, Round Date Stamped Proposals and Invitations for Comments from Affected Offices. If non-winter residents could not attend the April 13, 2011 meeting, they were afforded notice through the posting of the Proposal on May 9, 2011.

²⁵ Item No. 38, Proposal Comments.

²⁶ Item No. 49, Round Date Stamped Final Determination.

²⁷ FD at 32; Item No. 8, Parlin Post Office Discontinuance Financial Summary, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 5.

²⁸ FD at 8.

Determination.²⁹ Issues raised by the Petitioners and the Intervenor are addressed in greater detail below.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. §404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Parlin Post Office on postal services provided to Parlin customers. The closing is premised upon providing regular and effective postal services to Parlin customers. The Postal Service has considered the impact of closing the Parlin Post Office upon the provision of postal services to Parlin customers.³⁰ .

Upon implementation of the Final Determination, delivery and retail services will be provided by highway contract route service emanating from the Gunnison Post Office. In addition to HCR service, customers may also access postal services at the Gunnison Post Office, located 11.7 miles away. Customers can also visit any other Post Office proximate to their employment or other activities to complete postal transactions. The window service hours of the Gunnison Post Office are from 7:15 a.m. to 4:15 p.m., Monday through Friday. , and 9:00 a.m. to 12:00 p.m. on Saturday.³¹

Petitioners and Intervenor raise concern about of the effect on postal services of the Parlin Post Office closing, noting the convenience of the Parlin

²⁹ FD at 1.

³⁰ FD at 2,-6; Item No. 33, Proposal, at 2-6 .

³¹ FD at 2; Item No. 18, Postal Form 4920, Post Office Fact Sheet; Item No. 33, Proposal, at 2.

Post Office and requesting its retention. They contend that service through the Gunnison Post Office will not provide a maximum degree of effective postal services because: (1) the discontinuance of the Parlin Post Office is inconsistent with 39 U.S.C. §404(d)(2)(a)(iii); (2) customers should not have to travel 11.7 miles to Gunnison, thereby consuming time and money on gas to access services; (3) customers may have problems obtaining services from the HCR carrier; (4) HCR delivery service is not secure against theft; (5) senior citizens may be adversely affected; (6) the HCR carrier may not be able to handle accountable mail and large parcels; (7) irregular delivery hours by the HCR carrier and collection of outgoing mail; and (8) customers lack computers for internet transactions. These concerns were addressed and considered by the Postal Service and are addressed below.

Petitioners and Intervenor question the consistency of the Proposal with provisions of title 39. Pursuant to 39 U.S.C. §404(d)(2)(A)(iii), the Postal Service, in determining whether to close a Post Office, must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where most offices are not self-sustaining.” The Postal Service view is that the “a maximum degree” must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence in rural communities and small towns on postal retail facilities for access to postal products and services; however, this

concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Parlin Post Office, and the answer was affirmative..

Petitioners and Intervenor expressed concerns about customers traveling to the Gunnison Post Office. Customers, however, will not be required to travel to another Post Office to receive or obtain delivery and most retail services. Many of these services will be provided by the HCR carrier at a roadside mailbox located close to customer residences. In hardship cases, delivery can be made up to ½ mile from the roadway to the home of a customer. Changes in the type of delivery are considered where service by existing methods would pose an extreme physical hardship for an individual customer. Such requests can be submitted in writing to the Gunnison Postmaster. Customers that received P.O. Box service at Parlin can choose to continue P.O. Box service at the Gunnison Post Office, if they prefer. Retail services provided at the Post Office are also available from the HCR carrier.

Moreover, as explained throughout the administrative record, the HCR carrier can perform many functions at the same time that the carrier delivers the mail, thus avoiding for most transactions any need to go to a Post Office. The Postal Service offers various convenient options that can save customers a trip to

the Post Office or having to interact directly with a carrier. Stamps by Mail and Money Order Application forms are available for customer convenience.³²

Petitioners questioned the dependability of HCR service. The Postal Service explained HCR carriers perform a vital function in the United States Postal Service, serving thousands of families and businesses in rural and suburban areas while traveling millions of miles daily. HCR carriers are highly respected by the American public. This respect has been earned by many years of dedicated service to the Postal Service and to postal customers. During national and local emergencies, including prolonged periods of extreme weather conditions, HCR carriers have demonstrated great responsibility in providing mail service to postal customers. HCR carriers are required to serve the route expeditiously and arrive at boxes at about the same time each day.³³

During the community meeting, a customer raised a concern about mail security. The Postal Service responded that customers may place a lock on their mailboxes so long as the mailbox has a slot large enough to accommodate the customers' normal daily mail volume. In addition, CBUs provide the security of individually locked mail compartments and parcel lockers provide secure, convenient parcel delivery for customers. If CBUs are installed, the Postal

³² FD at 4-5; Item No. 22, Postal Service Response Letters; Item No. 23, Analysis of Questionnaires, at 3; Item No. 33, Proposal, at 4-5.

³³ FD, at 2 and 6; Item No 22, Postal Service Response Letters, at 6, 11, 13, 20; Item No. 33, Proposal, at 2 and 6.

Service will maintain them.³⁴ Moreover, the records of the Postal Inspection Service do not indicate any reports of mail theft or vandalism in the area.³⁵ As such, there appears to be minimal risk that the security of customers' mail will be impacted by the closing of the Parlin Post Office.

Many customers raised concerns about the affect of closing Parlin Post Office on senior citizens. The Postal Service explained that HCR carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services via roadside mailboxes or cluster box units. Most transactions do not even require meeting the carrier at the mailbox. Customers do not have to make a special trip to the Post Office for service. Special provisions are made, on request, for hardship cases or special customer needs.³⁶

With respect to Petitioner concerns about the receipt of accountable mail and large parcels, the Postal Service explained that if a customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of accountable items to the customer's residence. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. Attempted delivery items will be taken back to the administrative

³⁴ FD at 4; Item No. 33, Proposal, at 4.

³⁵ Item No.14, Inspection Service Vandalism Report.

³⁶ FD at 3; Item No. 22, Postal Service Response Letters, at 2, 3, 5, 13, 19, 23; Item No. 23, Postal Service Returned Questionnaire Analysis, at 1-4; Item No. 25, Community Meeting Analysis, at 2; Item No. 33, Proposal, at 3, 7.

Post Office. Customers may pick up the item at the Post Office, request redelivery on another day or authorize delivery to another party.³⁷

In several returned questionnaires, customers raised a concern about irregular hours that the HCR serves the community. The Postal Service explained that carriers have a schedule and are required to leave on time. However, there may be instances where various circumstances outside of the Postal Service's control impact the delivery schedule. Despite these delays, carriers strive to serve the community in a timely fashion and on a regular basis.³⁸ Another customer expressed a concern about the collection of outgoing mail. The Postal Service explained that collection of outgoing mail is made by the HCR carrier when serving the route. A customer should raise the flag on the mailbox to alert the carrier that outgoing mail is to be collected from the mailbox. Outgoing mail would also be collected daily from a CBU unit.³⁹

Several customers noted that not all customers have computers to perform internet transactions, while others questioned whether they could obtain services from the carrier for packages mailed overseas and for BLM mailings. Services are available for those customers who do not have computers. Stamps by Mail and Money Order Application forms are also available for customer convenience, and stamps are also available at many stores and gas stations, or

³⁷ FD at 3; Item No. 22, Postal Service Response Letters, at 25; Item No. 25, Community Meeting Analysis, at 2; Item No. 33, Proposal, at 3.

³⁸ Item No. 23, Postal Service Customer Questionnaire Analysis, at 1 .

³⁹ Item No. 25, Postal Service Customer Community Meeting Analysis, at 1; Item No. 33, Proposal, at 4.

by calling 1-800-STAMP-24. Customers can also request special services, such as Certified, Registered, or Express Mail, Delivery Confirmation, Signature Confirmation, and COD from the carrier.⁴⁰

Thus, the Postal Service properly concluded that Parlin customers will continue to receive regular and effective service by a HCR carrier emanating from the Gunnison Post Office.

Effect upon the Parlin Community

The Postal Service is obligated to consider the effect of its decision to close the Parlin Post Office upon the Parlin community. 39 U.S.C. §404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Parlin is an unincorporated rural community located in Gunnison County. The community is administered politically by Gunnison County, which also provides police and fire protection services, as well as schools. The community is comprised of ranchers and those who commute to work in nearby communities and work at local businesses.⁴¹ While there are several businesses and

⁴⁰ FD at 7; Item No. 33, Proposal, at 7.

⁴¹ FD at 6; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 6.

organizations, the questionnaires returned by Parlin customers indicate that, in general, the residents travel elsewhere for most other supplies and services.⁴²

Communities generally require regular and effective postal services and these will continue to be provided to the Parlin community. Highway contract route (HCR) service operated out of the Gunnison Post Office is expected to be able to handle mail delivery to Parlin customers. In addition, the Postal Service has concluded that other nonpostal services provided by the Parlin Post Office will be available at the Gunnison Post Office. Government forms sometimes provided by the Post Office will also be available at the Gunnison Post office or by contacting local government agencies.⁴³

Moreover, as the Postal Service explained during the discontinuance study, a community's identity derives from the interest and vitality of its residents and their use of its name. Customers were concerned about having to make an address change on their bank checks and stationery. Customers can continue to use the community name, Parlin, and ZIP Code in the last line of their address. The Postal Service also explained that it will continue using the Post Office name and ZIP Code in addresses and in the National Five-digit ZIP Code and {Post Office Directory.⁴⁴

Petitioners also raise questions about the effect on small businesses of closing the Parlin Post Office. Petitioners were concerned that the loss of the

⁴² FD at 6; Item No. 21, Returned Customer Questionnaires; Item No. 33, Proposal, at 6.

⁴³ FD at 6; Item No. 33, Proposal, at 6.

⁴⁴ FD at 2; Item No. 22 Postal Service Response Letters, at 18; Item No. 33, Proposal, at 2.

Post Office would have a detrimental effect on the Parlin business community. There is no indication that the Parlin business community will be adversely affected. Businesses generally require regular and effective postal services and these will continue to be provided to the Parlin business community. The questionnaires returned by Parlin customers indicate that, in general, the Parlin residents will travel elsewhere for other supplies and services, but will continue to use local businesses if the Parlin Post Office is discontinued.⁴⁵

Petitioners, as well as many customers who returned completed questionnaires, expressed a concern that with the closing of the post office, Parlin would not have access to a community bulletin board. While the Postal Service is not required to maintain a public bulletin board, the Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses and residences in the community-at-large.

In sum, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Parlin Post Office on the community and businesses served by the Parlin Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as required by 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Parlin Post

⁴⁵ FD at 6; Item No. 22, Postal Service Response Letters, at 7-12, 15, 24; Item No. 33, Proposal, at 6;

Office are \$46,140.20.⁴⁶ Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. §404(d)(2)(A)(iv).

The Petitioners question the listed economic savings, noting that the calculation does not account for a number of factors. Each of those factors is addressed below.

First, Petitioners and the intervenor criticize the Postal Service for failing to account for additional costs that will supposedly be needed to pick up and deliver mail throughout the community. Notwithstanding Petitioners' complaint, the Postal Service applied its standard financial analysis which accounts for the following cost drivers: the number of additional boxes to be added to the contract or rural route; the additional volume that may be expected per additional box; the number of additional miles to be added to the route; and the total additional annual hours that will be required to service the route.⁴⁷ The Postal Service approach is both defensible and reasonable; moreover, it is efficient while adding comparability across discontinuance studies. The administrative record accounts

⁴⁶ Both the Proposal and the Final Determination list the economic savings at \$49, 279, less a one-time charge of \$2,000 to be incurred in the movement of the facility. The Postal Service also calculated an estimated cost of \$1,138.80 to be incurred for HCR carrier for the Parlin customers (Item No. 17, Alternate Service Options/Cost Analysis, at 1). These two reductions result in savings of \$46,140.20.

⁴⁷ Although the Intervenor asserts that the savings estimate does not account for the additional hours and mileage for the HCR carrier, the Postal Service calculated the cost of delivering to an additional 41 boxes and the added mileage for the route. Item No. 17, Alternate Service Options/Cost Analysis, at 1.

for the estimated cost of adding customers to the HCR carrier out of Gunnison Post Office using a conservative, worst case analysis. A subtraction of these estimated costs from the economic savings calculation that appears in the Final Determination reflects that the Postal Service will still achieve substantial economic savings from the discontinuance of the Parlin Post Office. In short, none of the Petitioners' arguments or these minor adjustments affect either the magnitude (many thousands of dollars annually) of savings from discontinuance of the Parlin Post Office.

Second, Petitioners contend that the Postal Service savings estimate is incorrect because a career Postmaster salary and fringe benefits were used in the calculation, in lieu of the lower income earned by the OIC.⁴⁸ The Postal Service notes, however, that it was appropriate to use a career Postmaster's salary in the calculation because it is the proper measure of the loss of a permanent position and the career position would ultimately have been filled if the Parlin Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

Third, Petitioners suggested strategies that might reduce costs or increase revenue at the Parlin Post Office. These strategies include reducing the hours that the facility is open, eliminating Saturday service, and increasing the price of

⁴⁸ It is interesting to note that petitioner Ebaugh claims that the Postmaster's salary is less than the OIC salary.

first class mail and packages. The Postal Service has broad experience with similar options. In this case, it has determined that HCR carrier service from the nearby Gunnison Post Office is a more cost-effective solution than maintaining the Parlin postal facility and career position. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Thus, the conclusion that replacement service by HCR delivery together with the range of alternative ways of accessing retail services available would lead to significant savings is sound. Most pick up and delivery of mail will be accomplished by the HCR carrier, whose minor costs increases have been calculated. The Postal Service estimates are supported by record evidence and are in accordance with applicable statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The former Postmaster was promoted on April 24, 2010. A PMR was installed as the temporary officer-in-charge (OIC). The noncareer PMR may be separated from employment. The record shows that no other employee would be adversely affected by this closing. FD at 7; Item No. 33, Proposal, at 8. Therefore, in making its determination, the Postal Service considered the effect of closing on

employees at the Parlin Post Office, consistent with its statutory obligations. See 39 U.S.C. §404(d)(2)(A)(ii).

Other Issues

Petitioners and Intervenor raise other issues about the closing of the Parlin Post office.

First, Petitioners mention that if the postmaster vacancy is a reason for closure, the Postal Service made no attempt to fill the position. Over the course of the past few years, the Postal Service has experienced several hiring freezes. Under the former rules in effect when this discontinuance was first examined, a vacancy in a small office opened the door to the conduct of a discontinuance study of the business activity and investigation whether providing service by alternative means is feasible, which was the case here. Of course, the vacancy is not the sole factor motivating this discontinuance action; rather, the totality of circumstances supports the administrative decision at issue here.

.Second, Petitioners question the closing of the Parlin Post Office instead of nearby Post Offices at either Pitkin or Sargent.. The record explains, however, that Post Offices are reviewed on a case-by-case basis. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the Parlin community while realizing an

estimated cost savings of \$46,140.20 annually after discontinuation of the Parlin Post Office.⁴⁹

Third, the intervenor claims, without citation to record evidence, that the Final Determination: (a) places undue weight on the economic savings resulting from closing the Parlin Post Office; (b) is not supported by substantial evidence; and (c) is based on erroneous statements in the record, and appears to be capricious and without observance of procedure required by law, citing 39 U.S.C. §404(d)(5)(A) and (B).

Other than Intervenor's conclusory statements, there is no indication in the administrative record that the Postal Service failed to follow proper processes and procedures or that the Final determination was capricious. As the administrative record indicates, procedures were followed correctly, existing standard procedures were used for data collection, and questions and comments submitted to the Postal Service under the discontinuance procedures were evaluated and answered. Questionnaires and optional comment forms were incorporated into the record before the final determination was issued. Local field personnel could not predetermine the outcome, because the final determination was approved at Headquarters only after review of the information compiled in the administrative record. For each customer who responded to the questionnaire, the Postal Service sent a response letter addressing the customer's concerns. The Postal Service also hosted a community meeting to

⁴⁹ FD at 4; Item No. 33, Proposal, at 4.

further discuss the issues; it brought in a large audience.⁵⁰ Customers' questions were addressed at the community meeting by the Postal Service representative. Notices were provided during the entire process, and the Proposal and Final Determination were posted for the requisite period of time specified in postal regulations.⁵¹

Fourth, Intervenor argues that 39 U.S.C. §404(d)(1) requires that the Postal Service establish the necessity to close the Parlin Post Office. Section 404(d)(1) does not mandate that the Postal Service determine that closing a post office is a necessity. Rather, the statute requires the Post Office provide notice to persons served by the affected post office at least 60 days prior to the proposed date of such closing. The Postal Service provided such notice.⁵² Indeed, the following subsection 404(d)(2) sets forth five factors that the Postal Service must consider in making a determination whether or not to close a post office. The administrative record discloses that the Postal Service fully considered all five factors.

Conclusion

⁵⁰ Whether the number was 39 as shown on the Meeting Roster (Item No. 24, Community Meeting Roster) or 55 claimed by Petitioners, it was a high percentage of the local Parlin postal customers.

⁵¹ The intervenor cites as erroneous only the reference to the Bairol and Rawlings Post Offices in the Postal Service response letters (Item No. 22). The Proposal and Final Determination listed the letters verbatim. Both the Proposal ((Item 33, at 2), and the Final Determination (Item 46, at 2) unequivocally state that upon implementation of the final determination, delivery and retail service will be provided by the Gunnison Post Office.

⁵²Item No. 32, Round-Date Stamped Proposal and Invitation for Comments from Affected Offices.

As reflected throughout the administrative record, the Postal Service has followed proper procedures and carefully considered the effect of closing the Parlin Post Office on the provision of postal services and to the Parlin community, the impact on the community and local businesses, the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. §404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Parlin customers. The Postal Service respectfully submits that this conclusion is consistent with, and supported by, the administrative record and is in accord with the policies stated in 39 U.S.C. §404(d)(2)(A). The Postal Service's decision to close the Parlin Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Parlin Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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